

STANDARD PROCEDURE		PAGE: 1 OF 6	
ISSUED BY:		LEGAL	
EFFECTIVE DATE:		October 2, 1996	
PROCEDURE #		4.7	
SUBJECT:		KRC "CIRCULARS AND CIRCULAR LETTERS"	
DISTRIBUTION CODE:	A,B,C,E	CONTACT:	Director- Tax Policy
		Station:	# 8
		Phone:	564-6843

I. **POLICY**

It is the goal of the Kentucky Revenue Cabinet (KRC) to encourage voluntary tax compliance by educating taxpayers concerning their Kentucky tax obligations and the process for complying. Informational circulars and circular letters are a vital part of this effort. Circulars and circular letters are not authoritative but rather informative in nature, and in no way do they take precedence over existing laws or regulations.

II. **PROCEDURE**

A. Definitions

A "Circular" is a document prepared by the KRC for wide distribution to Kentucky's taxpayers, tax practitioners and Cabinet personnel. A circular provides general information on specific topics or industry concerns. The circular becomes part of the Kentucky Tax Service and will be appropriately updated.

A "Circular Letter" is a document that provides taxpayers with current information that may have resulted from legislative changes or current events. The circular letter is not published in the Kentucky Tax Service. However, the information contained in the circular letter may be incorporated into other sections of the service during the regular update procedure.

B. Source of Requests

The need for circulars and circular letters may be recognized at any level within the KRC. The need is communicated to the Division of Tax Policy by memorandum. The request is evaluated and documented.

C. Need for Circulars and Circular Letters

Circulars and circular letters provide a means to communicate information that is of educational assistance to taxpayers and Cabinet personnel.

D. Sources

Information presented in circulars and circular letters must come from the following sources: statutory law, administrative regulations, and case law.

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E. Format

A circular or circular letter may be written in a question and answer, outline format, or regular text. The circular and circular letter is intended to be used by the taxpayer in conducting everyday business. Therefore, information must be presented in a clear and concise manner.

F. Review and Refinement

The Tax Policy Division staff drafts circulars and circular letters. The Director of the Division of Tax Policy must approve the draft. After the draft has been approved, it is circulated to the General Counsel and to the commissioners for review by any impacted KRC divisions. These individuals are responsible for disseminating the draft within their areas. The Tax Policy Division must receive comments, disagreements, and proposed revisions no later than ten (10) calendar days from the date of the request for review. The original drafter will make the necessary refinements and again proceed to send the document through the approval process.

All circulars and circular letters must be reviewed prior to each fiscal year closing and revised, if necessary, by the Division of Tax Policy in accordance with the procedures outlined herein.

G. Approval Process

Upon final revision, the circular or circular letter, including all comments is submitted to the Commissioner of the Department of Law for approval. The Commissioner of the Department of Law will return the circular or circular letter to the Division of Tax Policy indicating approval, disapproval or need for further discussion.

H. Revision Process

Proposed revisions to a circular or circular letter may originate from any area or employee within the KRC if the Section Supervisor, Branch Manager or Divisional Director approves it. The request for revision must be in memorandum form and addressed to the Director of Tax Policy. A copy of the current circular or circular letter with proposed revisions must be attached to the request.

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I. Publication and Distribution

The Division of Tax Policy will forward the approved draft to the appropriate division within the KRC. That designated area will:

1. Prepare the appropriate request for publication work order;
2. Identify the taxpayers to whom the circular or circular letter is to be mailed; and
3. Forward the request and approved circular or circular letter to the Public Information and Communication Services Branch for publication and dissemination.

The Division of Tax Policy will update the KRC Electronic Research Library file to include the new or revised circular or circular letter.

J. Attachments - Forms

1. [Memo-Review of Draft Circular](#)
2. [Memo-Approval of Proposed Revenue Circular Number](#)
3. [Memo-Implementation of Revenue Circular \(Title\)](#)

NO STANDARD PROCEDURE MAY BE REVISED BY ADDENDUM, MEMORANDUM OR ANY OTHER MEANS OTHER THAN THOSE SET OUT IN STANDARD PROCEDURE # 1.1 ENTITLED " CREATION, REVISION AND RESCISSION OF KRC POLICIES AND PROCEDURES"

DISTRIBUTION CODES:

A. Senior Management	B. Division Directors	C. Branch Managers/Supervisors
D. Cabinet Personnel	E. Division Personnel	F. Branch Personnel

MEMORANDUM

TO: Commissioner
Department of Compliance and Taxpayer Assistance

Commissioner
Department of Property Taxation

Commissioner
Department of Administrative Services

Commissioner
Department of Law

FROM: Director
Division of Tax Policy

DATE:

SUBJECT: Review of Draft Circular (or Circular Letter)

Attached is a draft of a circular concerning_____.

Please have this Circular (or Circular Letter) reviewed by the appropriate employees in your department and have the employees indicate whether, in their opinion, the document clearly, fully, and accurately reflects Cabinet policy. Any suggested changes should be returned to _____ of the Division of Tax Policy.

Circular #

Drafted By: _____, Tax Consultant

REVIEWED BY: _____
Signature Name of Department/Division

Recommended Changes: Yes* _____ No_____

* Please submit a copy of your proposed changes to the circular along with this document.

MEMORANDUM

TO: Secretary
Kentucky Revenue Cabinet

VIA: Commissioner
Department of Law

FROM: Director
Division of Tax Policy

DATE:

SUBJECT: Approval of Proposed Revenue Circular Number _____(or
Circular Letter)

Attached for your consideration is Revenue Circular _____(or Circular
Letter) concerning _____.

Please indicate your approval, disapproval or need for further discussion by
checking one of the following blanks and returning this memorandum and attachment to
my attention.

Approved _____ Disapproved _____ Discuss with me _____

Comments:

Secretary _____ Date _____

Attachment

MEMORANDUM

TO: Commissioners and Directors

FROM: Director
Division of Tax Policy

DATE:

SUBJECT: Implementation of Revenue Circular (TITLE) (or Circular Letter)

Attached is Revenue Circular_____ (or Circular
Letter) concerning_____.

Please distribute this Circular (or Circular Letter) to the appropriate employees for implementation.

Attachment

cc: Janis Stewart